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CENTRAL INTELLIGENCE AGENCY
31 October 1973

INTELLIGENCE MEMORANDUM

MIDDLE EAST

Situation Report Number 96
(as of 1500 EST)

State Dept has
reviewed

THE MILITARY SITUATION

GENERAL

(All times cited in military paragraphs are Cairo/Tel Aviv time, unless otherwise specified.)

1. Both fronts remained quiet during the day, but there were several minor incidents on the Egyptian front. Israel continued to fly patrols and reconnaissance missions over both fronts without incident.

EGYPTIAN FRONT

2. The front continued quiet through the day, but several minor incidents were reported by UN observers. Israeli air activity was light and consisted of fighter patrols and reconnaissance flights.

3. UN observers located some seven miles southwest of Ismailia reported Israeli forces firing machine guns at 1155 after Egyptian forces crossed over the cease-fire line.

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4. UN observers also reported that an Egyptian infantry unit on the east bank near Suez City moved forward about a mile and a half during the morning and was now within 200 meters of Israeli lines. No fighting was reported.

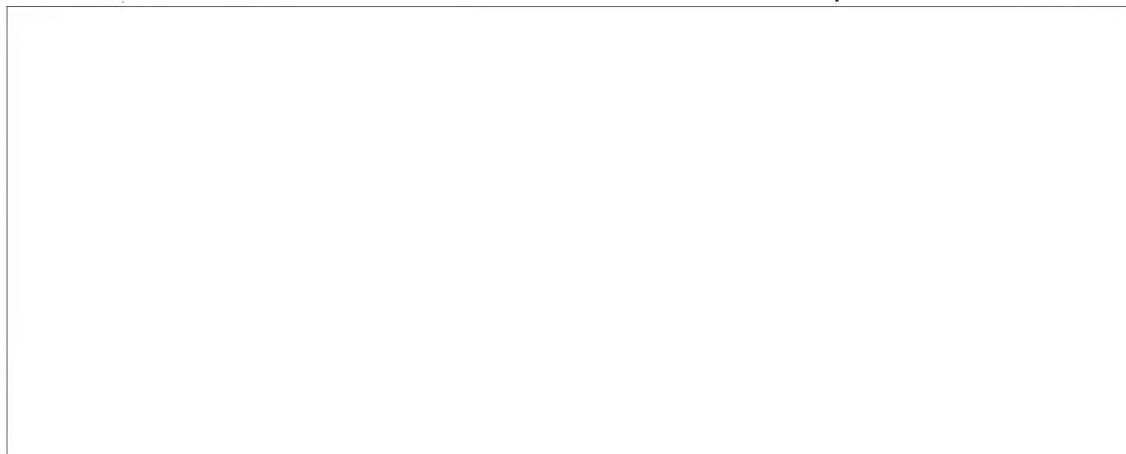
5. At 1130, a UN patrol reported that two Israeli vehicles were moving to recover 15 tanks in an area some nine miles east of Ismailia. An Egyptian commander threatened to fire at the Israelis if they approached any closer to the tanks, some of which were reportedly undamaged. UN officials were attempting to contact the Israelis to persuade them to cease the recovery operation.

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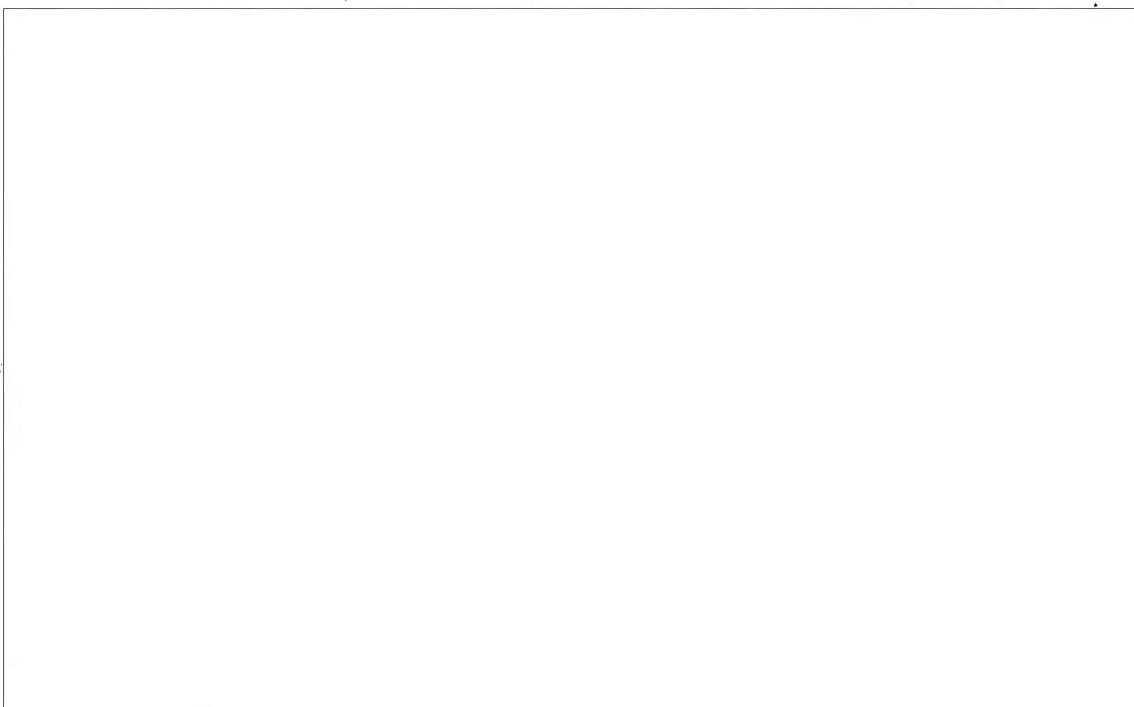
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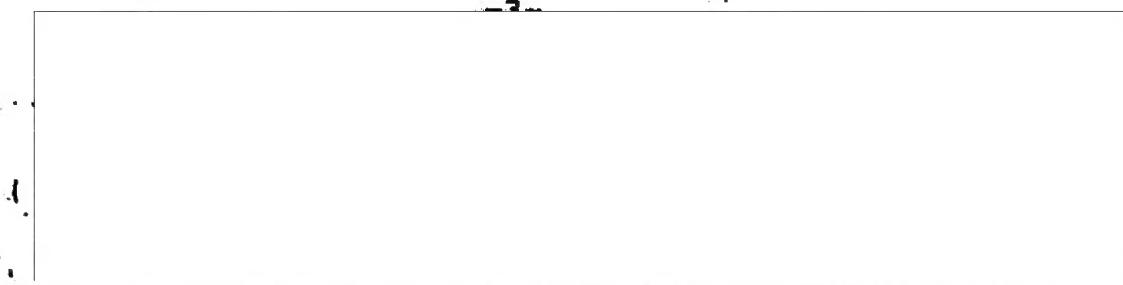
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SYRIAN FRONT

10. Israeli and Syrian forces continued to honor the cease-fire today. Israeli air activity was light and consisted of fighter patrols and some penetrations of Syrian, Jordanian, and Lebanese airspace.



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SADAT PRESS CONFERENCE

13. President Sadat acknowledged in a press conference today that he is under some pressure from his military staff to push Israeli troops back forcibly to the lines of 22 October, but said he would restrain them until he sees the results of current negotiations with the US. Sadat said that he has prevented the military from taking action until Ismail Fahmi, newly appointed foreign minister, has completed his talks in Washington and Secretary Kissinger has visited Cairo.

14. If these talks succeed, Sadat said, he is prepared immediately to begin arrangements for a peace conference and to open the Suez Canal within four months. If they fail, Egypt will take the "necessary measures" to force a return to the original cease-fire lines. Sadat justified this as a move that would merely be an implementation of recent Security Council resolutions.

15. Sadat also acknowledged that his decision to accept the original cease-fire has brought him some criticism, and he defended himself with the claim that the US airlift had virtually forced him to stop fighting. Noting that Israeli Defense Minister Dayan has himself said that Israel originally had only a 14-day supply of ammunition, Sadat said that Egyptian forces had initially held their own and gotten Israel down to a three-day supply before new US weapons began arriving on the battlefield. Sadat was not totally negative, however; he credited the US, despite its help to Israel, with a "constructive attitude" thus far in its efforts to find peace.

16. In answer to a later question on whether Egypt would engage in direct talks with Israel, Sadat adopted an ambivalent position that indicates he is still chary of characterizing as "direct" the face-to-face talks he is ready to undertake in a peace

conference. Sadat answered the specific question with a flat "no," but then went on to explain that Egyptian and Israeli military representatives have already met in the presence of UN observers and probably will meet again. The presence of UN observers apparently removes, for the benefit of Arab sensibilities, the distastefulness of meeting directly. Similarly at a peace conference, the presence of representatives other than the principals would serve as the buffer the Arabs apparently still insist on.

17. At the conclusion of the peace conference in a summary comment, Sadat made what might be a reference to the Scud missile. The remark was particularly oblique and was not made in a belligerent context. Appealing in the interests of peace for Israeli understanding of the new Arab reality, Sadat said that three basic concepts must be accepted: that the Arabs are prepared for a long war; that the Arabs have proved that they can accept and inflict losses; and that neither Israeli attempts to humiliate the Arabs nor "threats against the depths of our country" are to any avail. The reference to threats against the depths of Egypt probably implies Scuds; Sadat's first mention of surface-to-surface missiles in his speech of 16 October was put in the context of a deterrent against Israeli attempts to attack Egypt's heartland.

CAIRO

18. The US Interests Section in Cairo reports that a visible relaxation has taken place there over the last few days as shops reopen and night-life returns to normal, following the lifting of the wartime blackout. Local news interpretations of the military picture seem to have convinced Egyptians that the Israeli penetration into the west bank neither threatens the Third Army nor Egypt itself. The rumors of Israeli infiltrators have also subsided in measure with the increased sense of security and confidence.

19. Press coverage has moved away from charges of Israeli cease-fire violations and denials of Israeli advances to focus on the diplomatic front, where it dramatizes such stories as Ismail Fahmi's consultations with Secretary of State Kissinger and the Egyptian-Israeli agreement to exchange wounded prisoners.

20. President Sadat's own position, while nowhere near the height attained during the early days of the war, is assessed by the Interests Section as being generally stable. Although certain elements of the Egyptian intelligentsia, in particular Muhammad Hasanayn Haykal of Al Ahram, reserve strong doubts about Sadat's decision to bring an end to the fighting, most of the civilian establishment seem hopeful that Egypt's political goals may be achieved through negotiation and are therefore willing to give Sadat a chance.

21. In his press conference today Sadat asserted that he was under considerable military pressure to continue the fighting, but the US Interests Section reports that the army is neither disloyal to the president nor inclined to counter his political decisions.

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23. Syria has, in the meantime, rejected the concept of direct negotiations with Israel. Damascus radio today broadcast a statement by the Syrian information minister noting that the cease-fire resolution does not call for direct talks, and affirming Syria's rejection of any bargaining process over Syrian territory.

24. This statement places Syria in the intractable position Egypt held for six years until President Sadat offered on 16 October to participate in a peace conference that would in effect place the Arab combatants at the same table with Israel. Egypt is as adamant as Syria on the full return of its territory, but it appears now to be somewhat more forthcoming on the subject of parleying with Israel.

29. In the Indian Ocean, the Soviet destroyer and the destroyer escort that were apparently waiting for the USS Hancock task group now have begun heading southwest. They are now estimated to be near the Chagos Archipelago, about 1,000 nautical miles southwest of Sri Lanka. The Soviet Naval Force in the Indian Ocean is estimated to include 6 surface warships, 1 submarine, and 17 support ships.

SOVIET PRESS

30. A TASS statement today angrily denounced an article which appeared in the French newspaper L'Aurore yesterday which claimed the Russians were preparing to send "atomic bombs" to Egypt. The author of the article, a Monsieur D'Harcourt, is described as an overzealous journalist with a reputation for fabricating "sensations." TASS contrasts the L'Aurore

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Item with stories being printed in the West European press that question the necessity of the US military alert.

31. L'Aurore is a Paris daily whose editorial slant is far to the right in the political spectrum. D'Harcourt served with French forces in Indochina and is said to have good contacts within the French military and in the Paris military attache community.

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UNITED NATIONS

34. All Security Council members except the Soviet Union have agreed upon a humanitarian appeal to Egypt, Syria, and Israel. The message would state that the UN Emergency Force (UNEF) will cooperate with the International Committee of the Red Cross (ICRC) in its humanitarian endeavors in the Middle East and "appeal urgently for full cooperation of your governments with UNEF and ICRC in carrying out all of their responsibilities in the area, including regular activities of the ICRC in connection with prisoners of war." Moscow is adamantly opposed to the reference to prisoners of war, which it argues will assist Israeli obstruction of a peace settlement.

25. Secretary-General Waldheim expects UNEF to attain next week approximately one-third of its designated 7,000-man strength. This enlargement will come from further increases in the Austrian, Finnish, and Swedish contingents and the additional transfer of an expanded Irish unit from Cyprus. Canadian support personnel--not included in this estimate--should also join UNEF by that time. Consultations are continuing on the contingents to be drawn from states not participating in the Cyprus force.

ALGERIA ON CEASE-FIRE

36. In its first official statement on the Middle East since the establishment of the cease-fire, Algeria today announced that it "will stand firm with Egypt, Syria and Palestine until the total liberation of their territory." Although the statement carried no direct reference to UN Security Council Resolution 338 or to the cease-fire, the US Embassy in Algiers believes that Algeria's support for the Egyptian and

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Syrian acceptance of the cease-fire is based on the understanding that Palestinians are to be included in any final peace negotiations.

LIBYA

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39. Until now, the Libyan regime has allowed its Arab neighbors to set the pace with petroleum sanctions, but the threat against Germany almost certainly heralds an attempt by President Qadhafi to put Libya back in the forefront of Arab oil politics. Because the Libyans supply only a nominal amount of

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oil to the US, they can be expected to place maximum pressure on Western Europe, which depends on Libya for over 11 percent of its oil.

EGYPT

40. President Sadat today formally appointed Ismail Fahmi, now conducting talks in Washington, as Egypt's foreign minister, replacing Muhammad Hasan Zayyat. Zayyat will serve as an adviser to Sadat. The move formalizes a situation that has been in effect since the first days of the war. Zayyat, who was at the UN at the outbreak of hostilities, has been out of the decision-making process since then, and was never much more than a conduit for the policies of Sadat and his adviser Hafiz Ismail. Fahmi has long substantive experience in foreign affairs and has been acting foreign minister since the beginning of the war.